

# Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: December 10-11, 2003

Reference No.: 3.11  
Information Item

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Chief Financial Officer

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Ref: **INTERCITY RAIL – 1<sup>ST</sup> QUARTER OPERATIONS REPORT FOR FY 2003-04**

## **SUMMARY**

This is the Intercity Rail Operations Report requested by the California Transportation Commission (Commission) for the 1<sup>st</sup> Quarter of Fiscal Year (FY) 2003-04. The report provides ridership, farebox ratio, passenger miles per train mile, and on-time performance (OTP) measures, with descriptive text for each route.

California provides financial and administrative support for expanded Amtrak intercity rail passenger service on three corridors within the State: the *Pacific Surfliner Route* between San Diego, Los Angeles and San Luis Obispo, the *Capitol Corridor* between the Sacramento region, Oakland and San Jose, and the *San Joaquin Route* to Bakersfield from both Oakland and Sacramento. These routes are, respectively, the second, third, and fifth busiest routes in the entire national Amtrak system. State support for the *Pacific Surfliner* and *San Joaquin* routes is administered by the California Department of Transportation (Department), while support for the third corridor is administered by a separate agency, the Capitol Corridor Joint Powers Authority, using funding provided through the Department.

All three of California's State-supported Amtrak intercity rail passenger services continue to set ridership and revenue records. The 1<sup>st</sup> quarter of FY 2003-04 proved no exception. Total ridership during the first quarter on the three routes increased 15.3 percent over the comparable quarter in FY 2002-03 and revenues increased 11.9 percent. The combined farebox ratio for the quarter was 50 percent, the same as the last fiscal year 1<sup>st</sup> quarter.

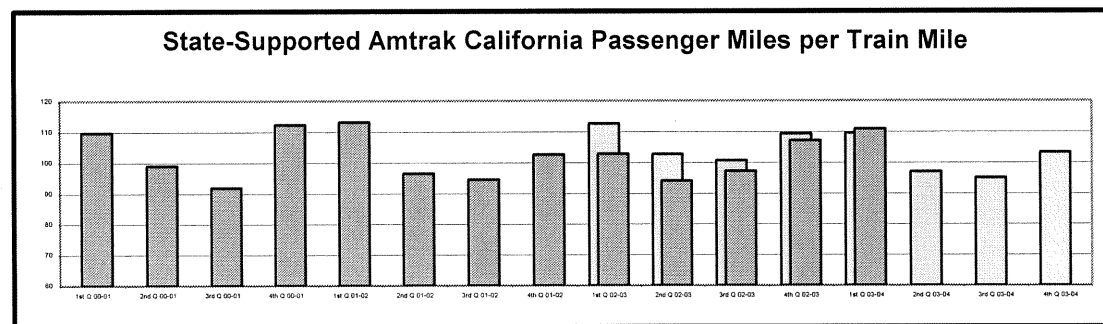
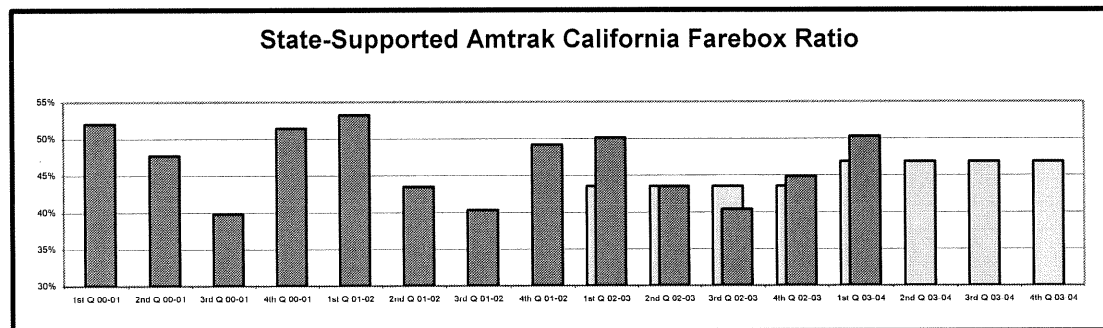
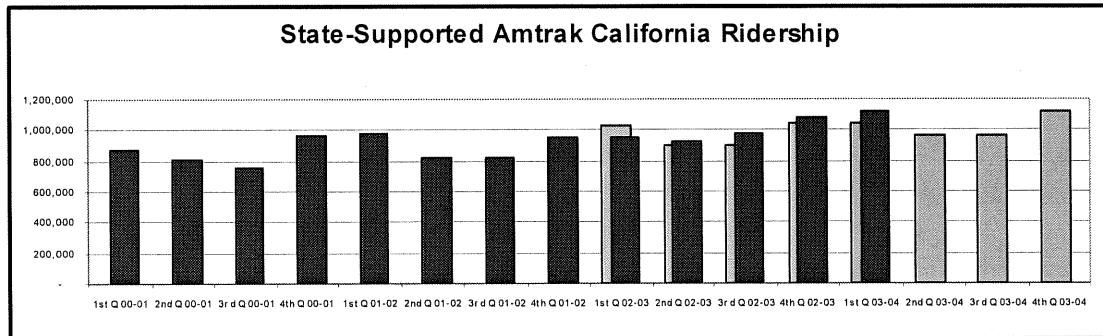
Passenger miles per train mile (PM/TM), a measure of the average number of passengers on board an individual train at any one time, were 111 PM/TM, 7.8 percent above the 1<sup>st</sup> quarter of last year's 103 PM/TM.

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### Charts of Results for State-Supported Rail Corridors

The following graphs depict the combined results of the three State-supported rail corridors in California. Route specific charts are in the sections for each route that follow.



*Note: Solid Bars reflect actual data; Shaded Bars reflect Business Plan Projection*

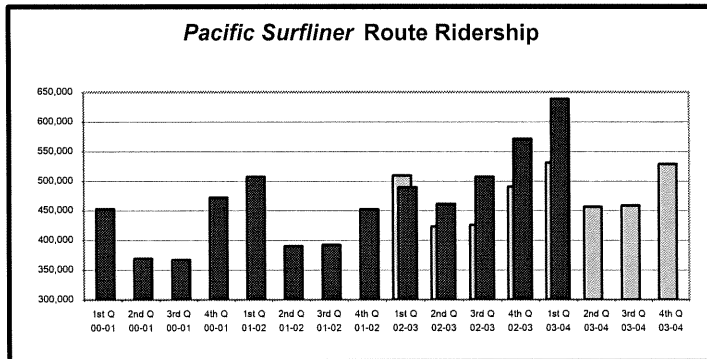
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### *Pacific Surfliner Route*

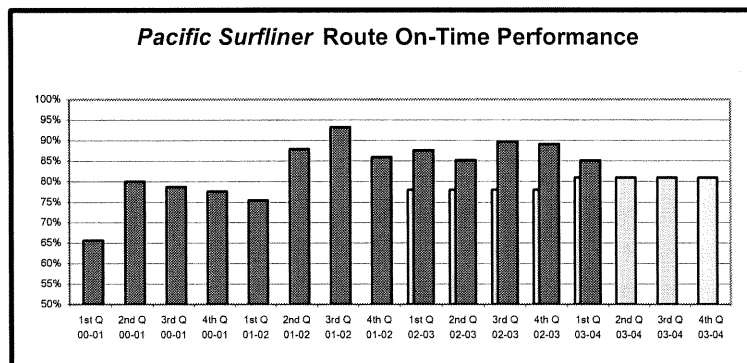
There are currently eleven weekday round trips between Los Angeles and San Diego, four of which are through trains between San Diego and Goleta (Santa Barbara). One of the four Santa Barbara round trips continues north to and from San Luis Obispo. On weekends there is a twelfth round trip between San Diego and Los Angeles and a fifth round trip between Los Angeles and Goleta.

Continuing on the heels of a record 2002-03 fiscal year when more than 2 million passengers rode the service, *Pacific Surfliner* ridership soared again in the 1st quarter of FY 2003-04 (July through September 2003). With nearly 640,000 passengers, total ridership for the 1st quarter was 25.4 percent higher than the previous year and exceeded the Business Plan projection for the quarter by 20.3 percent.



The Amtrak and Metrolink “Rail 2 Rail” program, which provides the mutual honoring of tickets for travel on trains of either system continues to help spur ridership increases on both Amtrak and Metrolink services. More than 20,000 passengers per month are taking advantage of this Program demonstrating that the increased convenience of being able to use either of the two systems has made rail travel much more attractive throughout the Los Angeles basin. With the Program’s success, the Department has initiated discussions with the North County Transit District to expand the program to the *Coaster* service operating between Oceanside and San Diego in San Diego County. In addition to the “Rail 2 Rail” program, targeted marketing to the senior and Hispanic markets is also contributing to the higher ridership and revenue on the corridor. Finally, the expanded weekend service to Santa Barbara (a fifth round trip was added in 2002) is experiencing increased ridership as the public is becoming more aware of the service.

The OTP for the 1<sup>st</sup> quarter remained at 85 percent. The level remains above the Business Plan projection of 81 percent.

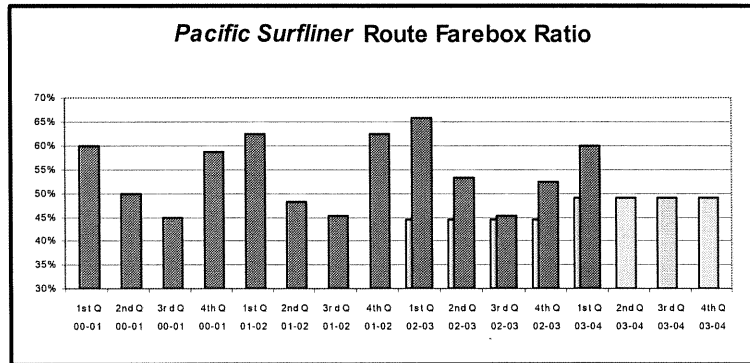


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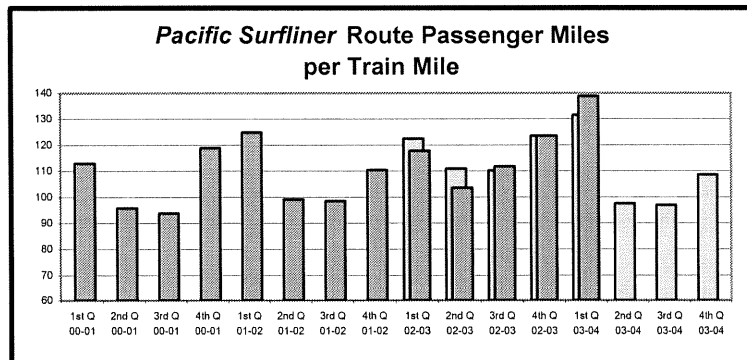
## 1<sup>st</sup> Quarter Operations Report for FY 2003-04

### ***Pacific Surfliner Route (continued)***

First quarter revenues (July through September 2003) for FY 2003-04 *Pacific Surfliner* increased 12.3 percent compared to the same quarter the previous year. Expenses also grew 23.4 percent during the same period due to fuel cost, insurance, wreck damage repair and seasonal marketing cost. Although expenses were up, they were still less than the business plan projection by 15 percent. First quarter farebox recovery was 60 percent, compared to the 66 percent recovery achieved in the 1st quarter of FY 2002-03.



First quarter passenger miles per train miles jumped by 21 from 118 PM/TM to 139 PM/TM, or 18.8 percent. The growth in this indicator is less than the 25.4 percent growth in ridership indicating that additional passengers, on an average, are taking shorter distance trips. This is, at least in part, an effect of the "Rail-2-Rail" program that brings short-distance Metrolink riders onto the Amtrak trains.



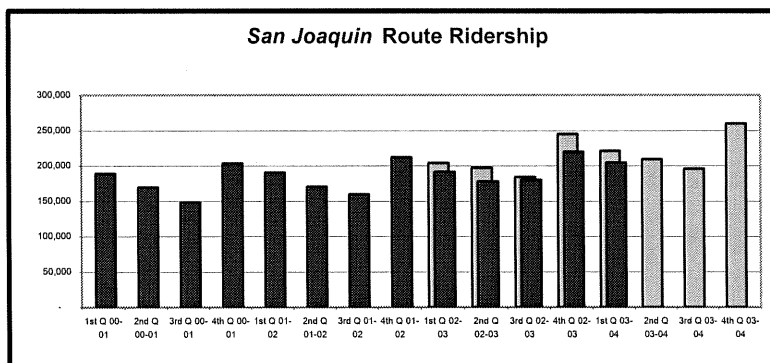
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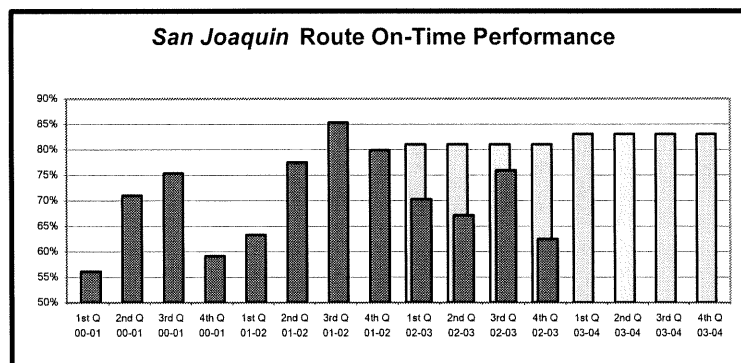
### *San Joaquin Route*

There are currently six daily train round trips serving the *San Joaquin Route*, four operating between Bakersfield and Oakland/San Francisco and two operating between Bakersfield and Sacramento. All six round trips have dedicated bus connections to stations throughout Southern California. On the north end, similar buses connect Sacramento with the Oakland trains and San Francisco/Oakland with the Sacramento trains, thus providing six daily arrivals and departures for both northern terminals. Additional connecting buses provide feeder service to communities throughout the north end of the State.

The *San Joaquins* posted ridership records in two of the three months of the 1<sup>st</sup> quarter. Total ridership for the 1<sup>st</sup> quarter (July through September 2003) of FY 2003-04 increased 6.8 percent compared to the same quarter the year before. The increase, however, was 7.5 percent below the projection in the Business Plan. In addition to the State sponsored connecting buses, the Department is working with local transit agencies along the *San Joaquin* route to provide for “no cost” transfers for *San Joaquin* riders and local transit services.



The OTP in the corridor continues to struggle, falling to 42 percent during the 1st quarter of the fiscal year. The performance is far below the Department OTP goal of 81 percent. As was reported at the Commission’s October meeting, the performance had deteriorated to such an extent that Amtrak and the Department initiated discussions with senior management of the Burlington Northern Santa Fe (BNSF). Several factors have played into the poor OTP performance: maintenance work by the Union Pacific Railroad between



Richmond and Martinez (which also impacted *Capitol Corridor* service); increased number of freights operating over what is essentially a single track railroad; the loss of a number of experienced railroad dispatchers from the San Bernardino Dispatch Center; and several derailments. To address the problems the BNSF replaced several of the region’s operational management, added more “yard track” in their freight yards to allow more freight trains stored off the mainline, increased maintenance activities, and instituted a number of operational changes designed to improve traffic flow. The Department expects the next quarterly operations report will reflect a significant improvement in on-time performance.

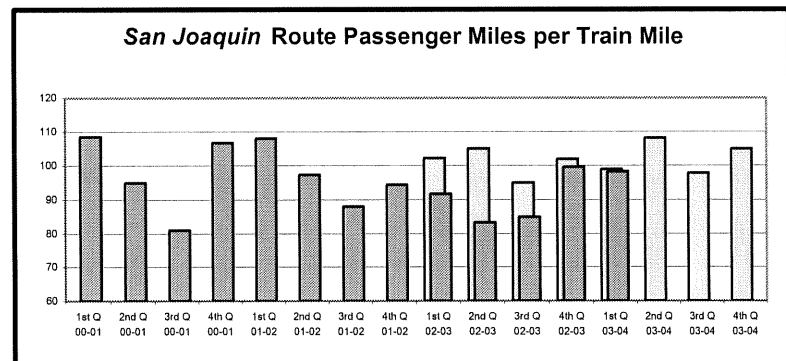
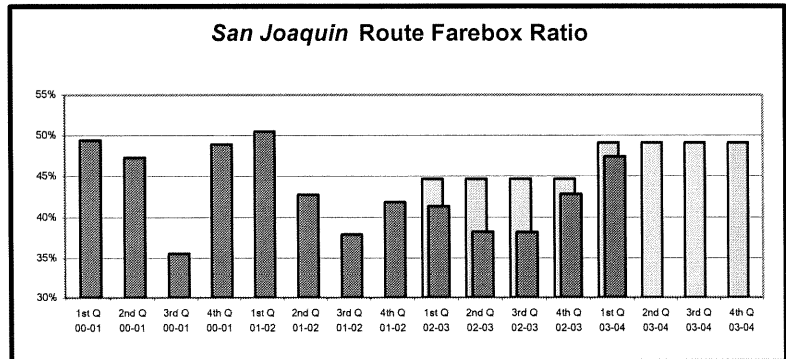
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### *San Joaquin Route (continued)*

The *San Joaquin's* farebox ratio finished the 1<sup>st</sup> quarter of FY 2003-04 at 47 percent, up significantly from the 41 percent recovery of the 1<sup>st</sup> quarter of FY 2002-03. The 1<sup>st</sup> quarter's farebox is just slightly below the 49 percent farebox recovery projected for the year in the Business Plan. Although revenues were 13.7 percent higher than the comparable quarter of FY 2002-03, they were still 5.2 percent less than Business Plan projections. Although revenues were less than projected, expenses were significantly less than projected, resulting in higher farebox recovery.

The passenger miles/train mile ratio for the 1<sup>st</sup> quarter of the fiscal year is 98 PM/TM, up from the 92 PM/TM during the 1<sup>st</sup> quarter of last fiscal year and only slightly below the 99 PM/TM projected in the annual Business Plan.



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### *Capitol Corridor*

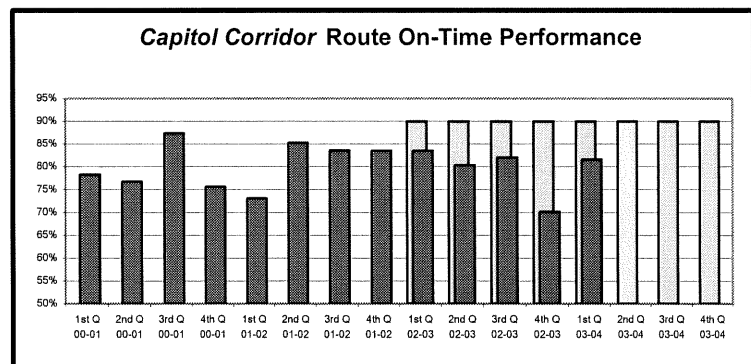
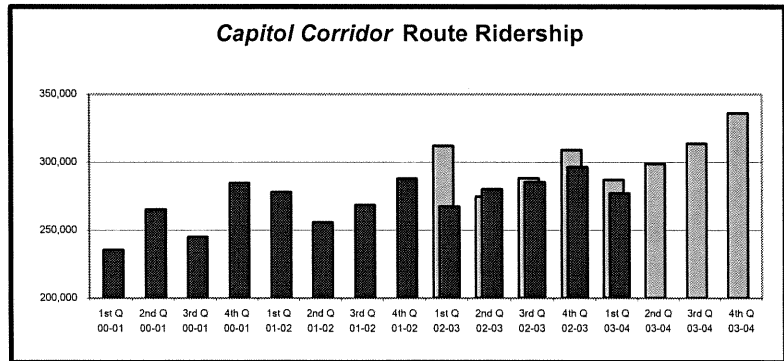
There are currently twelve weekday round trips between Oakland and Sacramento, with the twelfth added in April 2003. One round trip each day continues to Auburn, and four round trips extend beyond Oakland to San Jose. On weekends there are nine Oakland-Sacramento round trips, with six round trips extending to San Jose and one to Auburn.

The *Capitol Corridor* posted ridership records in all three months of the fiscal year's 1<sup>st</sup> quarter. The service has now marked 13 consecutive months of ridership records. Total ridership for the 1<sup>st</sup> quarter (July through September 2003) of FY 2003-04 increased 3.5 percent compared to the same quarter the year before, and it was 3.5 percent below the quarter's projection in the Business Plan.

Ridership between Sacramento/Davis and the Bay Area continues to grow as is local travel between Sacramento and Placer County.

Internet bookings now account for nearly 10 percent of all ticket sales and multi-ride tickets continue to account for more than half of all ticket sales.

OTP rebounded to 82 percent from the 70 percent performance in the fourth quarter of the prior fiscal year (April, May, June of 2003). Although significant strides have been made, the performance remains below the *Capitol Corridor's* goal of 90 percent. The OTP was the result of increased track work, particularly between Richmond and Martinez, and freight train interference. Working together, the Capitol Corridor Joint Powers Authority and Union Pacific Railroad have adopted a number of measures to address the on-time performance issues. These efforts coupled with the completion of current and scheduled track improvements should reduce interference problems and bring on-time performance up to the 90 percent goal.



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### ***Capitol Corridor (continued)***

Revenues for the 1<sup>st</sup> quarter were 7.9 percent above the same quarter in the prior fiscal year. Expenses for the 1<sup>st</sup> quarter were up 13.3 percent reflecting 12 versus 9 round trips, the addition of three new round trips.

Expenses were, however, below Business Plan projections by 12.3 percent reflecting the *Capitol Corridor's* efforts to control costs. Reflecting the not unanticipated growth in costs resulting from the addition of three round trip trains, farebox recovery declined slightly during the quarter from 38 to 36 percent.

The decline in the farebox ratio was not unanticipated, as new services require some time to build up ridership.

Reflecting the addition of three new round trip trains compared to the 1st quarter of the prior fiscal year, PM/TM decreased during the first quarter by 10.7 percent. The decline in PM/TM ratio remains less than the 33 percent increase in service levels.

